## **GOLD**

(Data in metric tons<sup>1</sup> of gold content unless otherwise noted)

<u>Domestic Production and Use</u>: In 2014, domestic gold mine production was estimated to be about 211 tons, 8% less than in 2013, and the value was estimated to be about \$8.6 billion. Gold was produced at about 45 lode mines, a few large placer mines (all in Alaska), and numerous smaller placer mines (mostly in Alaska and in the Western States). In addition, 7% of domestic gold was recovered as a byproduct of processing domestic base metals, chiefly copper. Thirty operations yielded more than 99% of the gold produced in the United States. Commercial-grade refined gold came from about two dozen producers. A few dozen companies, out of several thousand companies and artisans, dominated the fabrication of gold into commercial products. U.S. jewelry manufacturing was heavily concentrated in the New York, NY, and Providence, RI, areas, with lesser concentrations in California, Florida, and Texas. Estimated domestic uses were jewelry; 41% electrical and electronics, 35%; official coins, 18%; dental, 4%; and other, 2%.

Salient Statistics—United States:	<u>2010</u>	<u>2011</u>	<u> 2012</u>	<u>2013</u>	2014 <sup>e</sup>
Production:					
Mine	231	234	235	230	211
Refinery:					
Primary	175	220	222	223	200
Secondary (new and old scrap)	198	263	215	210	200
Imports for consumption <sup>2</sup>	616	550	326	315	315
Exports <sup>2</sup>	383	644	695	691	430
Consumption, reported	180	168	147	160	165
Stocks, yearend, Treasury <sup>3</sup>	8,140	8,140	8,140	8,140	8,140
Price, dollars per troy ounce <sup>4</sup>	1,228	1,572	1,673	1,415	1,270
Employment, mine and mill, number <sup>5</sup>	10,300	11,100	12,700	12,958	12,500
Net import reliance <sup>6</sup> as a percentage of	_	_	_	_	_
apparent consumption	( <sup>7</sup> )	( <sup>7</sup> )	$(^{7})$	$\binom{7}{}$	( <sup>7</sup> )

Recycling: In 2014, 200 tons of new and old scrap was recycled, more than the reported consumption.

Import Sources (2010-13): Mexico, 52%; Canada, 17%; Colombia, 11%; Peru, 7%; and other, 13%.

Tariff: Most imports of unwrought gold, including bullion and doré, enter the United States duty free.

Depletion Allowance: 15% (Domestic), 14% (Foreign).

<u>Government Stockpile</u>: The U.S. Department of the Treasury maintains stocks of gold (see salient statistics above), and the U.S. Department of Defense administers a Governmentwide secondary precious-metals recovery program.

Events, Trends, and Issues: The estimated gold price in 2014 was 10% lower than the price in 2013 and was down by 24% from the record-high annual price in 2012. The Engelhard daily price of gold in 2014 fluctuated through several cycles. The gold price began the year at \$1,226.73 per troy ounce and increased to \$1,387 per troy ounce on March 14, the highest level of the year. The price trended downward to \$1,247.77 per troy ounce on June 3 and then rebounded to \$1,343.53 per troy ounce on July 10. The price then trended downward, ending October at \$1,166.83 per troy ounce, the lowest price since July 2010. Many believe that the average gold price decreased owing to the lack of confidence in gold as an investment.

The decrease in domestic mine production was attributed to lower ore grades at the two leading producers in Nevada. These decreases were partly offset by one mine in Utah, which continued to recover following a massive landslide in April 2013.

In 2014, worldwide gold production was 2% more than that in 2013 owing to increases in production from Australia, Canada, China, the Dominican Republic, and Russia, which more than offset production decreases in Peru, Tanzania, South Africa, and the United States. Gold production in China continued to increase, and the country remained the leading gold-producing nation, followed by Australia, Russia, the United States, Peru, and Canada. Following the decline in price, the domestic and global supply of gold from recycling continued to decline from the high level in 2011 to nearer the long-term average.

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In 2014, domestic consumption of gold used in the production of jewelry and electronics increased because of the lower price of gold and improved economic environment. Consumption of gold used in manufacturing jewelry in Asia and the Middle East, however, was significantly lower; consumption in 2013 had been significantly higher than prior years' levels. Domestic and global investment demand for gold decreased because of the lower price, especially in China and India. Gold stored in the exchange-traded funds has also decreased in the last 2 years, while Central Banks continue to purchased gold bullion.

Gold mining has been identified as a potential source of funding for armed groups engaged in civil unrest in Congo (Kinshasa) (DRC) and surrounding countries. The United States, through the enactment of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) on July 21, 2010, made it a statutory obligation for all companies registered with the U.S. Securities and Exchange Commission (SEC) to perform due diligence to determine whether the products they manufacture, or the components of the products they manufacture, contain tantalum, tin, tungsten and gold (3TG) minerals and if so, to determine whether these minerals were sourced from the DRC and (or) its bordering countries.

<u>World Mine Production and Reserves</u>: Reserves for Australia, Canada, and Peru were revised based on information from the respective country Governments.

	Mine pro	Mine production		
	<u>2013</u>	<u>2014<sup>e</sup></u>	Reserves <sup>8</sup>	
United States	230	211	3,000	
Australia	265	270	9,800	
Brazil	71	70	2,400	
Canada	124	160	2,000	
Chile	51	50	3,900	
China	430	450	1,900	
Ghana	90	90	2,000	
Indonesia	61	65	3,000	
Mexico	98	92	1,400	
Papua New Guinea	57	60	1,200	
Peru	151	150	2,100	
Russia	230	245	5,000	
South Africa	160	150	6,000	
Uzbekistan	98	102	1,700	
Other countries	<u>684</u>	<u>695</u>	<u>10,000</u>	
World total (rounded)	2,800	2,860	55,000	

<u>World Resources</u>: An assessment of U.S. gold resources indicated 33,000 tons of gold in identified (15,000 tons) and undiscovered (18,000 tons) resources. Nearly one-quarter of the gold in undiscovered resources was estimated to be contained in porphyry copper deposits. The gold resources in the United States, however, are only a small portion of global gold resources.

<u>Substitutes</u>: Base metals clad with gold alloys are widely used in electrical and electronic products, and in jewelry to economize on gold; many of these products are continually redesigned to maintain high-utility standards with lower gold content. Generally, palladium, platinum, and silver may substitute for gold.

eEstimated.

<sup>&</sup>lt;sup>1</sup>One metric ton (1,000 kilograms) = 32,150.7 troy ounces.

<sup>&</sup>lt;sup>2</sup>Refined bullion, doré, ores, concentrates, and precipitates. Excludes: Waste and scrap, official monetary gold, gold in fabricated items, gold in coins, and net bullion flow (in tons) to market from foreign stocks at the New York Federal Reserve Bank: 0 (2010), -4 (2011), 0 (2012), 5 (2013), and 70 (2014, estimate).

<sup>&</sup>lt;sup>3</sup>Includes gold in Exchange Stabilization Fund. Stocks were valued at the official price of \$42.22 per troy ounce.

<sup>&</sup>lt;sup>4</sup>Engelhard's average gold price quotation for the year. In 2014, the price was estimated by the USGS based on monthly data from January through October.

<sup>&</sup>lt;sup>5</sup>Data from Mine Safety and Health Administration.

<sup>&</sup>lt;sup>6</sup>Defined as imports – exports + adjustments for Government and industry stock changes.

<sup>&</sup>lt;sup>7</sup>In recent years, the United States has been a net exporter; however, large unreported investor stock changes preclude calculation of a meaningful net import reliance.

<sup>&</sup>lt;sup>8</sup>See <u>Appendix C</u> for resource/reserve definitions and information concerning data sources.

<sup>&</sup>lt;sup>9</sup>U.S. Geological Survey National Mineral Resource Assessment Team, 2000, 1998 assessment of undiscovered deposits of gold, silver, copper, lead, and zinc in the United States: U.S. Geological Survey Circular 1178, 21 p.